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1982

AMS OFFICE turnover SURVEY

FOR THE UNITED STATES AND CANADA

372,482 employees · 54,529 terminations
2,274 companies · 94 cities

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TURNOVER REFLECTS RECESSION

Fewer voluntary terminations and greater staff reductions mirror the recent economic slump

By Dr. Edward G. Thomas, C.A.M.

The 1982 edition of the biennial "AMS Turnover Survey of Office Employees" has been completed and the results are presented here for your information. Ninety-four AMS chapters and 2,274 organizations employing 372,482 people participated in the study. The participating chapters are located throughout the United States and Canada, and the organizations included in the survey represent a wide variety of businesses and industries as well as governmental, educational, and nonprofit agencies.

The 1982 study covers 54,529 terminations, both voluntary and involuntary.

RATE DOWN AGAIN

The overall turnover rate for 1982 was 15% *(see Figure 1)*. This represents a decrease of two percentage points from the 1980 rate of 17%. The 1978 rate was 19%. In other previous studies, the rate varied from a high of 21% for 1973, to a low of 14% for 1975.

Turnover rates for six geographical regions are presented in Figure 2. The Western U.S. region had the highest turnover rate for 1982 (16%). The lowest turnover rate (13%) was experienced in the West Central U.S. region. When compared to the 1980 turnover rates, the Western U.S. region exhibited the largest decrease (some 7%, from 23% to 16%). The other five regions also experienced decreases. A more detailed breakdown of rates by region and AMS chapter is presented in Figure 5, on the following page.

Turnover rates by type of business were also computed *(see Figure 3)*. The "Construction" category exhibited the highest 1982 turnover rate (22%), and the lowest rate was the 9% rate experienced by firms in the "Public Utility" category.

When the 1982 turnover figures are compared to the 1980 figures, it can be seen that the "Governmental Agency" and "Retail Sales & Distribution" categories both exhibited a decrease of 8%. Overall, 11 categories experienced turnover rate decreases and five experienced increases.

Turnover rates by office size are presented in Figure 4. Continuing a trend noted in 1978 and 1980, the turnover rates in 1982 were lowest for the firms having the largest numbers of office workers. Overall,

FIGURE 1
FORMULA FOR ANNUAL TURNOVER RATE

The turnover rate computed in this study was the annual rate for the calendar year 1982. A total of 2,274 firms provided the data. The rate was calculated as follows:

$$\frac{\text{Total Number of Terminations}}{\text{Average Annual Employment}} \times 100 = \text{Turnover Rate}$$

For the entire study, the calculation was:

$$\frac{54{,}529}{372{,}482} \times 100 = 15\%$$

FIGURE 2
TURNOVER BY GEOGRAPHICAL AREA (AMS REGIONS)

	1982	1980
FOR ALL REGIONS	15%	17%
Canada	14%	19%
Eastern United States	15%	16%
East Central United States	15%	16%
West Central United States	13%	18%
Southern United States	15%	16%
Western United States	16%	23%

FIGURE 3
TURNOVER BY TYPE OF BUSINESS

	1982	1980
Advertising, Printing & Publishing	16%	21%
Banking, Insurance & Financial	16%	19%
Construction	22%	18%
Educational	13%	16%
Governmental Agency (any level)	10%	18%
Manufacturing	14%	13%
Natural Resources (gas, oil, mining, lumber, etc.)	16%	17%
Public Utility	9%	7%
Retail Sales & Distribution	12%	20%
Service	16%	22%
Transportation	21%	16%
Wholesale Sales & Distribution	15%	21%
Professional/Fraternal Organizations	17%	20%
Research & Development	14%	16%
Nonprofit (charitable organizations)	17%	21%
Other	16%	11%

FIGURE 4
TURNOVER BY SIZE OF OFFICE

	1982	1980
FOR ALL COMPANIES	15%	17%
1 to 25 employees	17%	20%
26 to 100 employees	16%	19%
101 to 250 employees	16%	20%
251 to 500 employees	16%	18%
501 to 1,000 employees	14%	18%
1,001 to 5,000 employees	14%	14%
Over 5,000 employees	12%	15%

FIGURE 5 —

	1982 Turnover Rate	1980 Turnover Rate	1978 Turnover Rate	Number of Firms	Total Employment	Total Terminations
CANADA (total)	14%	19%	16%	246	20,018	2,787
Brantford	11%	11%	—	20	1,176	128
Calgary	19%	23%	—	28	2,223	424
Edmonton	29%	41%	—	21	2,493	712
Grand Valley	9%	13%	13%	70	7,633	659
Hamilton	12%	17%	27%	53	4,054	504
International	13%	—	—	23	1,066	142
Ottawa	13%	—	—	5	475	62
Vancouver	17%	24%	22%	26	898	156
EASTERN U.S. (total)	15%	16%	18%	585	101,387	15,256
Albany, NY	18%	10%	19%	14	1,957	345
Boston, MA	10%	18%	—	16	3,889	377
Bridgeport, CT	17%	—	—	20	3,202	557
Buffalo, NY	14%	12%	21%	35	6,655	932
Concord, NH	15%	—	—	12	1,827	280
Delaware	18%	17%	13%	23	4,942	893
Finger Lakes, NY	10%	11%	14%	5	278	29
Harrisburg Area, PA	11%	12%	18%	37	6,323	690
Hartford, CT	12%	10%	19%	13	3,520	419
Lancaster, PA	10%	13%	16%	43	3,010	305
Montgomery Co., PA	26%	21%	18%	19	5,925	1,556
New York, NY	19%	17%	17%	46	11,884	2,229
Philadelphia, PA	12%	—	23%	29	16,406	2,019
Portland, ME	22%	19%	19%	26	2,748	593
Providence, RI	22%	31%	22%	15	1,273	274
Reading, PA	10%	18%	17%	15	3,480	331
Southern Connecticut	17%	12%	—	10	2,203	384
Syracuse, NY	11%	16%	17%	20	4,231	474
Washington, DC	15%	28%	19%	17	1,546	233
Westchester, NY	15%	15%	21%	38	6,038	883
Worchester, MA	14%	—	—	132	10,050	1,453
EAST CENTRAL U.S. (total)	15%	16%	21%	406	85,608	12,586
Butler Co., OH	10%	15%	15%	12	1,291	129
Chicago, IL	21%	21%	28%	41	12,317	2,533
Cincinnati, OH	12%	17%	15%	50	11,485	1,412
Cleveland, OH	22%	16%	20%	20	5,807	1,260
Columbus, OH	12%	25%	22%	17	4,267	532
Dayton, OH	24%	8%	—	34	7,440	1,756
Evansville, IN	11%	14%	16%	23	4,380	493
Fort Wayne, IN	8%	—	—	27	8,972	759
Indianapolis, IN	13%	—	25%	33	4,727	598
North/West Chicago, IL	14%	14%	—	18	3,038	423
Peoria, IL	16%	18%	—	20	2,787	436
Rockford, IL	13%	23%	17%	21	2,750	358
Toledo Area, OH	12%	14%	16%	56	10,586	1,302
West Michigan	10%	15%	20%	34	5,761	595
WEST CENTRAL U.S. (total)	13%	18%	21%	383	57,684	7,235
Des Moines, IA	13%	18%	22%	55	13,527	1,715
Duluth, MN	10%	—	14%	6	1,386	135
Fargo-Moorhead, ND	12%	17%	—	39	1,938	228

the 1982 rates were lower than 1980 rates in six of the seven size categories; the rate was unchanged in the remaining category. The lowest 1982 rate (12%) was experienced by firms employing over 5,000 employees, down from a 1980 rate of 15%.

STAFF REDUCTIONS UP

The major reason for employee terminations *(see Figure 6)* continued to be "To Take Another Job," with 22% of the total 1982 terminations being attributed to this reason. However, this total is less than the 33% reported in 1980 and the 46% reported in 1978.

On the other hand, there was a large increase from 1980 to 1982 in the percentage of terminations attributed to "Staff Reduction." Some 15% of the total 1982 terminations were staff reductions, compared to only 4% in 1980. The percentages of terminations due to "Dismissals" and "Retirements" (12% and 10%, respectively) were unchanged from 1980. Overall, the five most common reasons for terminations accounted for 68% of all 1982 terminations.

The turnover rate for non-exempt employees (18%) was not quite double the rate for exempt employees (10%) *(see Figure 7)*. In 1975, 1978, and 1980, the rate for non-exempt employees was more than double the rate for exempt employees.

Figure 8 presents the percentage of total terminations accounted for by employees with varying lengths of service to the organization. Some 27% of all terminations were for employees with less than one year of service (down from 38% in 1980). Another 46% of terminations were for employees with one to five years of service (up from 43% in 1980). Employees with more than five years

TURNOVER RATES BY CHAPTERS

	1982 Turnover Rate	1980 Turnover Rate	1978 Turnover Rate	Number of Firms	Total Employment	Total Terminations
WEST CENTRAL U.S. *(cont.)*						
Kansas City, MO	11%	—	—	13	2,678	299
Lincoln, NE	12%	19%	25%	35	4,580	540
Madison, WI	13%	16%	16%	30	2,818	377
Mid-Missouri	10%	—	22%	10	1,082	107
Milwaukee, WI	10%	19%	20%	53	10,340	1,044
Omaha, NE	12%	19%	28%	25	7,828	968
Quad-Cities	10%	12%	12%	31	2,502	239
St. Louis, MO	19%	18%	27%	33	4,030	748
Southeast Minnesota	9%	—	—	11	709	62
Southern Minnesota	13%	15%	15%	27	1,331	174
Wichita, KS	20%	—	—	15	2,935	599
SOUTHERN U.S. (total)	15%	16%	20%	310	54,508	7,913
Atlanta, GA	19%	—	17%	15	2,481	481
Baltimore, MD	14%	15%	—	15	1,798	244
Chattanooga, TN	9%	14%	17%	12	827	73
Dallas, TX	22%	29%	19%	23	3,984	892
El Paso, TX	7%	—	—	16	2,632	193
Greater Orlando, FL	18%	13%	—	14	4,590	828
Greensboro, NC	15%	14%	—	14	991	150
Greenville, SC	13%	14%	—	19	1,530	199
Hampton Roads, VA	22%	—	—	10	752	164
Houston, TX	18%	31%	—	22	1,867	336
Huntington, WV	11%	7%	19%	10	1,456	162
Jacksonville, FL	17%	21%	—	19	3,567	594
Lexington, KY	15%	16%	—	6	639	96
Little Rock, AR	16%	—	34%	10	1,691	273
Louisville, KY	9%	12%	16%	26	3,993	372
Nashville, TN	8%	18%	—	6	3,213	241
Oklahoma City, OK	23%	—	43%	19	3,486	815
Research Triangle, NC	7%	20%	15%	13	8,145	559
Roanoke, VA	9%	11%	16%	16	993	87
Tulsa, OK	32%	—	23%	11	1,579	504
Winston-Salem, NC	15%	17%	—	14	4,294	650
WESTERN U.S. (total)	16%	23%	19%	344	53,277	8,752
Bakersfield, CA	9%	—	15%	9	300	28
Boise, ID	19%	17%	—	14	2,131	395
Colorado Springs, CO	22%	24%	15%	18	1,929	427
Denver, CO	6%	26%	—	6	762	42
Eugene, OR	12%	26%	30%	26	616	74
Modesto, CA	13%	—	—	15	653	88
Phoenix, AZ	15%	—	25%	33	12,006	1,809
Portland, OR	18%	21%	31%	44	10,852	1,929
Pueblo, CO	17%	—	—	7	299	51
Salem Area, OR	17%	19%	24%	20	1,426	242
San Francisco, CA	18%	29%	25%	29	2,028	367
San Jose, CA	25%	27%	32%	13	1,200	301
Seattle, WA	17%	26%	29%	36	11,665	1,954
Spokane, WA	16%	19%	33%	24	1,811	281
Stockton, CA	14%	16%	20%	40	2,249	306
Tacoma, WA	14%	17%	26%	10	3,350	458

FIGURE 6
REASONS FOR TERMINATION

	Total	Exempt	Non-Exempt
Another Job	22%	8%	14%
Staff Reduction	15%	5%	10%
Dismissal	12%	3%	9%
Retirement	10%	5%	5%
Leave City	9%	1%	8%
Unknown	7%	2%	5%
Return to School	6%	1%	5%
Personal Reasons	6%	1%	5%
Dissatisfied	4%	1%	3%
Stay Home	4%	0%	4%
Pregnancy	2%	0%	2%
Marriage	1%	0%	1%
Health	1%	0%	1%
Military Leave	0%	0%	0%
Death	0%	0%	0%

Note: *All percentages are rounded*

FIGURE 7
TURNOVER RATE: EXEMPT VS. NON-EXEMPT

	1982	1980
All Employees	15%	17%
Exempt Employees	10%	10%
Non-Exempt Employees	18%	21%

FIGURE 8
LENGTH OF SERVICE UPON TERMINATION

	1982	1980
Under 1 year	27%	38%
1 year to 5 years	46%	43%
Over 5 years	26%	19%

of service accounted for 26% of the 1982 terminations (up from 19% in 1980). Thus, 73% of the 1982 terminations were for employees with five or fewer years of service. In 1980, 81% of the terminations were for employees with five or fewer years of service.

REFLECTING THE RECESSION

While the overall turnover rate for 1982 (15%) was lower than in 1980 (17%), the effects of the 1982 recession were really reflected in the reasons for terminations. A lower percentage of employees voluntarily terminated employment in order to take other jobs, while a higher percentage were terminated as a result of staff reductions. Such results are to be expected during difficult economic times. If the 1983 recovery continues into 1984, it will be interesting to see if the 1984 turnover survey results reflect an increase in the percentage of terminations attributed to employees who leave to take other jobs, and a significant decrease in the percentage of terminations due to staff reductions. □

Dr. Edward G. Thomas, C.A.M., is chairperson of the Department of Business Education at the James J. Nance School of Business Administration of Cleveland State University, Cleveland, Ohio and is an international director-at-large. *Appreciation is expressed to Dr. Thomas for developing, tabulating and summarizing this survey.*

1980 AMS OFFICE TURNOVER SURVEY

Data for over one-half million employees in over 2,500 firms

By Dr. Edward G. Thomas, C.A.M.

The 1980 edition of the biennial "AMS International Turnover Survey of Office Employees" has been completed and is presented here for your information. Ninety-four AMS chapters and 2,574 firms employing 561,878 people participated in the study. The participating chapters are located throughout the United States and Canada, and the firms included in the survey represent all kinds of businesses and industries as well as governmental, educational, and service organizations.

The 1980 study covered 96,087 terminations.

TURNOVER RATES LOWER

The overall turnover rate for 1980 was 17%. This represents a decrease of two percentage points from the 1978 rate of 19%. In previous studies, the rate varied from a high of 21% for 1973 to a low of 14% for 1975. The 1971 rate was 19%.

The Western U.S. region had the highest turnover rate for 1980 (23%). The lowest turnover rate (16%) was exhibited in three U.S. regions: Eastern, East Central, and Southern.

Fifteen categories of business were studied. The "Service" category experienced the highest 1980 turnover rate (22%); the lowest rate by far was the 7% rate experienced by firms in the "Public Utility" category.

When the 1980 turnover figures are compared to the 1978 figures, it can be seen that the "Transportation" firms had the greatest decrease (from 29% in 1978 to 16% in 1980). Two categories experienced two percentage point increases. Four new categories were added to the 1980 survey.

Continuing the 1978 trend, the turnover rates in 1980 were lowest for the firms having the largest number of office workers. The 15% rate for firms having more than 5,000 office employees was unchanged from the 1978 rate. The lowest 1980 rate (14%) was experienced by firms having from 1,001 to 5,000 employees, down from a 1978 rate of 17%.

REASONS FOR TERMINATION

The main reason for employee terminations continued to be "to take another job," with 33% of the total 1980 terminations being attributed to this reason. However, this total is less than the 46% reported in 1978. There was an increase from 1978 to 1980 in the percentage of terminations attributed to "Retirement." Some 10% of the 1980 terminations were for "Retirement," up from 6% in 1978. It should be noted that the 1980 survey instrument listed three new categories of reasons for termination: "Personal Reasons," "Dissatisfied," and "Unknown." These three categories accounted for a total of 19% of the terminations.

The second most common reason for termination was "Dismissal," accounting for 12% of total terminations. The categories of "Marriage," "Health," "Military Leave," and "Death" accounted for only a small percentage of total terminations.

OTHER HIGHLIGHTS

The turnover rate for non-exempt employees (21%) was more than double the rate for exempt employees (10%). This pattern was also observed in the 1978 and 1975 studies.

Some 38% of all terminations were for employees with less than one year of service (down from 42% in 1978). Another 43% of terminations were for employees with one to five years of service (up from 40% in 1978). Employees with more than five years of service accounted for 19% of the 1980 terminations (compared with 18% in 1978). Thus, 81% of the 1980 terminations were for employees with five or fewer years of service. In 1978, 82% of the terminations were for employees with five or fewer years of service.

COMMENTS

The information provided by the 1980 AMS Turnover Survey should be of use to personnel directors, managers, and others interested in changes in the workforce. The data presented here may be compared with company or industry data as part of a firm's analysis of its turnover experience.

While some turnover may be desirable to allow new people with new ideas to occupy vacated positions, excessive turnover may be expensive in training or retraining costs and the low initial level of productivity of new workers.

Several factors must be considered in determining whether a particular firm's turnover rate is too low or too high. The 1980 AMS Office Turnover Survey should help in studying your own situation. □

Dr. Edward G. Thomas, C.A.M., is chairman of the Department of Business Education at the James J. Nance School of Business Administration of Cleveland State University, Cleveland, Ohio. A past president of the AMS Cleveland Chapter, Dr. Thomas is a member of the AMS International Management Information Committee.

Special appreciation is expressed to Dr. Thomas for developing, tabulating and summarizing this survey.

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